

SPIRIT ACQUISITIONS HOLDINGS LIMITED
(formerly Trushelfco (No. 2989) Limited)

REPORT AND FINANCIAL STATEMENTS

For the 47 Week Period Ended 21 August 2004

Registered Number. 4914737



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Spirit Acquisitions Holdings Limited
(formerly Trushelfco (No. 2989) Limited)

Registered No. 4914737

DIRECTORS

K E D Jones	(appointed 21 November 2003)
S Peel	(appointed 27 October 2003)
C Riklin	(appointed 27 October 2003, resigned 10 January 2005)
K R Davis	(appointed 7 October 2003, resigned 27 October 2003)
R Lindsay	(appointed 7 October 2003, resigned 27 October 2003)
L J Stoker	(appointed 18 September 2003, resigned 7 October 2003)
E J Zuercher	(appointed 18 September 2003, resigned 7 October 2003)

SECRETARY

Trusec Limited	(appointed 18 September 2003, resigned 27 October 2003)
D K Walmsley	(appointed 27 October 2003)

AUDITORS

Ernst & Young LLP
One Colmore Square
Birmingham
B4 6HQ

BANKERS

Barclays Bank plc
15 Colmore Row
Birmingham
B3 2DP

SOLICITORS

Slaughter and May
One Bunhill Row
London
EC1Y 8YY

REGISTERED OFFICE

107 Station Street
Burton on Trent
Staffordshire
DE14 1SZ

Spirit Acquisitions Holdings Limited
(formerly Trushelfco (No. 2989) Limited)

DIRECTORS' REPORT

The directors present their report and financial statements for the 47 week period ended 21 August 2004.

RESULTS AND DIVIDENDS

The loss for the period after taxation amounted to £23,371,531. The directors do not propose a payment of a dividend.

The company made a number of fixed assets disposals in the year resulting in a loss on disposal of £11,957,136.

PRINCIPAL ACTIVITY

The principal activity of the company is that of a holding company.

The company was incorporated on 29 September 2003 as Trushelfco (No. 2989) Limited and subsequently changed its name to Spirit Acquisitions Holdings Limited on 22 October 2003.

DIRECTORS AND THEIR INTERESTS

The Directors of the Company are listed on page 1.

K E D Jones, C Riklin and S Peel were also directors of the ultimate parent undertaking, Spirit Group Holdings Limited, during the period. Their interests for the period ended 21 August 2004 are disclosed in the financial statements of Spirit Group Holdings Limited. There were no other Directors' interests requiring disclosure under the Companies Act 1985.

DIRECTORS' LIABILITIES

The company has indemnified one or more directors of Spirit Acquisitions Holdings Limited in respect of proceedings brought by third parties subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision was in force during the period and is in force as at the date of approving the Directors' Report.

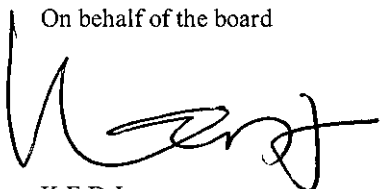
POST BALANCE SHEET EVENTS

On 25 November 2004, the Spirit Group Holdings Limited group of companies completed an intra-group reorganisation and £2.2 billion refinancing. To effect the refinancing, new financing arrangements were entered into comprising the issue of £1.25 billion Floating and Fixed/Floating Secured Debenture Bonds, secured against a portfolio of 1,080 freehold and long leasehold pubs in the Spirit Group estate and secured bank loans of £950 million, secured against a portfolio of 951 freehold, long and short leasehold pubs. The balance outstanding on the bank debt was repaid on 25 November 2004 and the Floating Rate Secured Notes issued in April 2002 and August 2003 pursuant to the Spirit Funding securitisation were called on 26 November 2004 and redeemed at par on 29 December 2004. There was no impact on Spirit Acquisition Holdings Limited as a result of this transaction.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the company's auditors will be put to the forthcoming Annual General Meeting.

On behalf of the board



K E D Jones
Director

14 November 2005

Spirit Acquisitions Holdings Limited
(formerly Trushelfco (No. 2989) Limited)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Spirit Acquisitions Holdings Limited
(formerly Trushelfco (No. 2989) Limited)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPIRIT ACQUISITION HOLDINGS LIMITED

We have audited the company's financial statements for the period ended 21 August 2004 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 17. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 21 August 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Birmingham

14 November 2005

Spirit Acquisitions Holdings Limited
(formerly Trushelfco (No. 2989) Limited)

PROFIT & LOSS ACCOUNT

For the period ended 21 August 2004

	<i>Notes</i>	For the 47 week period ended 21 August 2004 £
Operating charges		(11,414,395)
OPERATING LOSS	3	<u>(11,414,395)</u>
Loss on disposal of fixed assets	4	<u>(11,957,136)</u> (23,371,531)
Interest receivable	5	130,547,170
Interest payable and similar charges	6	(130,547,170)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(23,371,531)</u>
Tax on loss on ordinary activities	7	-
LOSS RETAINED FOR THE PERIOD	13	<u><u>(23,371,531)</u></u>

There were no other recognised gains or losses in the period.

Spirit Acquisitions Holdings Limited
(formerly Trushelfco (No. 2989) Limited)

BALANCE SHEET

At 21 August 2004

	<i>Notes</i>	21 August 2004 £
FIXED ASSETS		
Investments	8	74
CURRENT ASSETS		
Debtors due within one year	9	1,705,267,183
Cash at bank and in hand		4
CREDITORS: amounts falling due within one year	10	(1,714,024,746)
NET CURRENT LIABILITIES		<u>(8,757,559)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(8,757,485)</u>
CREDITORS: amounts falling due after more than one year		<u>(14,614,042)</u>
NET LIABILITIES		<u>(23,371,527)</u>
CAPITAL AND RESERVES		
Called up share capital	11	4
Profit and loss account	12	(23,371,531)
EQUITY SHAREHOLDERS' FUNDS	12	<u>(23,371,527)</u>



K E D Jones
Director

14 November 2005

Spirit Acquisitions Holdings Limited
(formerly Trushelfco (No. 2989) Limited)

NOTES TO THE FINANCIAL STATEMENTS

At 21 August 2004

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company reported a loss before tax for the 47 week period of £23,371,531. At 21 August 2004 the Company has net current liabilities of £8,757,559. The financial statements have been prepared on a going concern basis, which assumes that the company will continue in existence for the foreseeable future. The validity of the assumption is dependent upon the continuing support of the parent company, Spirit Group Holdings Limited, to enable it to meet its liabilities as they fall due. The parent has indicated that it will continue to provide financial support and therefore the directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

Cash flow

Spirit Group Holdings Limited, the largest company within the Spirit group for which consolidated financial statements are prepared, has produced a consolidated cashflow statement for the period ended 21 August 2004. This cashflow statement includes the cashflows of Spirit Acquisition Holdings Limited. The company has therefore taken advantage of the exemption not to present a cash flow statement given in FRS 1.

Consolidated financial statements

The company is exempt, under s228 of the Companies Act 1985, from the obligation to prepare consolidated financial statements as the company is wholly owned subsidiary undertaking of a parent company incorporated in the EU, which prepares consolidated financial statements. As such, these financial statements present information about the company as an individual undertaking and not about its group.

Fixed asset investments

Investments in subsidiary undertakings are included at cost, less provisions for impairment in value.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Spirit Acquisitions Holdings Limited
(formerly Trushelfco (No. 2989) Limited)

NOTES TO THE FINANCIAL STATEMENTS

At 21 August 2004

2. DIRECTORS' EMOLUMENTS

The directors' emoluments have been borne by the parent company, Spirit Group Holdings Limited. The directors of the company are also directors or officers of a number of the companies within the Spirit Group. The directors' services to the company do not occupy a significant amount of their time. As such, the directors do not consider that they have received any remuneration for their incidental services to the company for the period ended 21 August 2004.

3. OPERATING LOSS

The operating loss for the period includes:

**For the
period ended
21 August
2004
£**

Write down of investment in Spirit Intermediate Acquisitions Limited.

11,414,395
11,414,395

Auditors' remuneration was borne by other group companies.

4. EXCEPTIONAL ITEMS

**For the
period ended
21 August
2004
£**

Loss on disposal of fixed assets

11,957,136

5. INTEREST RECEIVABLE

**For the
period ended
21 August
2004
£**

Group interest receivable

130,547,170

Spirit Acquisitions Holdings Limited
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NOTES TO THE FINANCIAL STATEMENTS

At 21 August 2004

6. INTEREST PAYABLE AND SIMILAR CHARGES

**For the
period ended
21 August
2004
£**

Group interest payable	130,547,170
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7. TAXATION

(a) Tax charge/(credit) on the loss on ordinary activities

The tax charge/(credit) is made up as follows:

**For the
period ended
21 August
2004
£**

Current Tax:

UK corporation tax:	-
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Total current tax (note 7(b))	-
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Deferred Tax:

Origination and reversal of timing differences	-
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Tax charge/(credit) on loss on ordinary activities	-
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(b) Factors affecting current tax charge/(credit)

The tax assessed on the loss on ordinary activities for the year multiplied by the standard rate of corporation tax in the UK of 30%. The differences are reconciled below:

**For the
period ended
21 August
2004
£**

Loss on ordinary activities before tax	23,371,531
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Loss on ordinary activities multiplied by the standard rate of corporation tax of 30%	7,011,459
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Write down of investments in subsidiaries	(3,424,318)
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Expenses not deductible for tax purposes	(3,587,141)
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Total Current tax (note 7(a))	-
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There is no provided or unprovided deferred tax arising in the period ending 21 August 2004.

Spirit Acquisitions Holdings Limited
(formerly Trushelfco (No. 2989) Limited)

NOTES TO THE FINANCIAL STATEMENTS

At 21 August 2004

8. INVESTMENTS

	Shares in subsidiary undertakings £
<i>Cost and net book value:</i>	
Additions	11,414,617
Disposals	(148)
Write down of investment in Spirit Intermediate Acquisitions Limited	(11,414,395)
	<u>74</u>

On 8 March 2004 Spirit Acquisitions Holdings Limited purchased 74% of the ordinary share capital (£74) of Spirit Intermediate Retail Limited

On 24 March 2004, Spirit Acquisitions Holdings Limited disposed of its shareholding in 74% of the ordinary share capital (£74) of Spirit Intermediate Acquisitions Limited and its subsidiaries. This occurred as a result of a sale and leaseback transaction in respect of 220 licensed properties. Following the sale of this company the excess of the investment carrying value (£11,414,395) over sales proceeds was written down immediately.

On 25 July 2004 Spirit Acquisitions Holdings Limited disposed of its shareholding in 74% of the ordinary share capital (£74) of Spirit Intermediate Retail Limited as part of the sale of the Premier Lodge business.

On 1 July 2004 Spirit Acquisitions Holdings Limited purchased 74% of the ordinary share capital (£74) of Spirit Intermediate Star Limited.

Details of the investments in which the company holds share capital are as follows:

<i>Subsidiary undertakings</i>	<i>Holding</i>	<i>Proportion of Voting right held</i>	<i>Nature of business</i>
Spirit Intermediate Star Limited	Ordinary shares	74%	Holding company
Spirit Acquisition Guarantee Limited	Limited by Guarantee	100% *	Holding company
Spirit Retail Bidco Limited	Ordinary shares	100% *	Holding company
Partstripe Limited	Ordinary shares	100% *	Pub retailing
Spirit Group Retail Limited	Ordinary shares	100% *	Pub retailing
Spirit Group Retail (Northampton) Limited	Ordinary shares	100% *	Pub retailing
CPH (R&L) No.2 Limited	Ordinary shares	100% *	Pub retailing
The Chef & Brewer Group Limited	Ordinary shares	100% *	Pub retailing
Aspect Leisure Activities Limited	Ordinary shares	100% *	Pub retailing
AVL (Pubs) No.2 Limited	Ordinary shares	100% *	Pub retailing
Freshwild Limited	Ordinary shares	100% *	Pub retailing
Higgins and Company Limited	Ordinary shares	100% *	Property estate management
Aspect Ventures Limited	Ordinary shares	100% *	Pub retailing

* Held by a subsidiary undertaking

The company has taken advantage of the exemption to only list those investments that principally affect the profit or assets of the company. The full list of investments will be annexed to the company's next annual return.

Spirit Acquisitions Holdings Limited
(formerly Trushelfco (No. 2989) Limited)

NOTES TO THE FINANCIAL STATEMENTS
At 21 August 2004

9. DEBTORS

**21 August
2004
£**

Amounts due from group undertakings	1,705,267,183
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10. CREDITORS: amounts falling due within one year

**21 August
2004
£**

Amounts owed to group undertakings	1,714,024,746
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11. CREDITORS: amounts falling due after more than one year

**21 August
2004
£**

Amounts owed to group undertakings	14,614,042
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12. SHARE CAPITAL

**21 August
2004
No.**

**21 August
2004
£**

Authorised

Ordinary shares of £1 each	100	100
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Issued, called up and fully paid

Ordinary shares of £1 each	4	4
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Spirit Acquisition Holdings Limited
(formerly Trushelfco (No. 2989) Limited)

NOTES TO THE FINANCIAL STATEMENTS

At 21 August 2004

13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £	Profit & Loss Account £	Total Shareholders' Funds £
At incorporation 2 £1 ordinary shares were issued at par	2	-	2
Issue of 2 £1 ordinary shares at par	2	-	2
Loss for the period	-	(23,371,531)	(23,371,531)
As at 21 August 2004	<u>4</u>	<u>(23,371,531)</u>	<u>(23,371,527)</u>

14. CAPITAL COMMITMENTS

The company had no capital commitments as at 21 August 2004.

15. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in paragraph 3(c) of FRS 8 from disclosing transactions with related parties that are part of the Spirit Group or investees of the group. There were no other related party transactions during the period.

16. ULTIMATE PARENT UNDERTAKING

The parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up and of which the company was a member as at 21 August 2004 is Spirit Group Holdings Limited which is registered in England and Wales.

Copies of the financial statements of Spirit Group Holdings Limited are available from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ.

17. CONTINGENT LIABILITIES

The company and certain other members of the Spirit Group have granted full fixed and floating security over their respective assets and undertakings.